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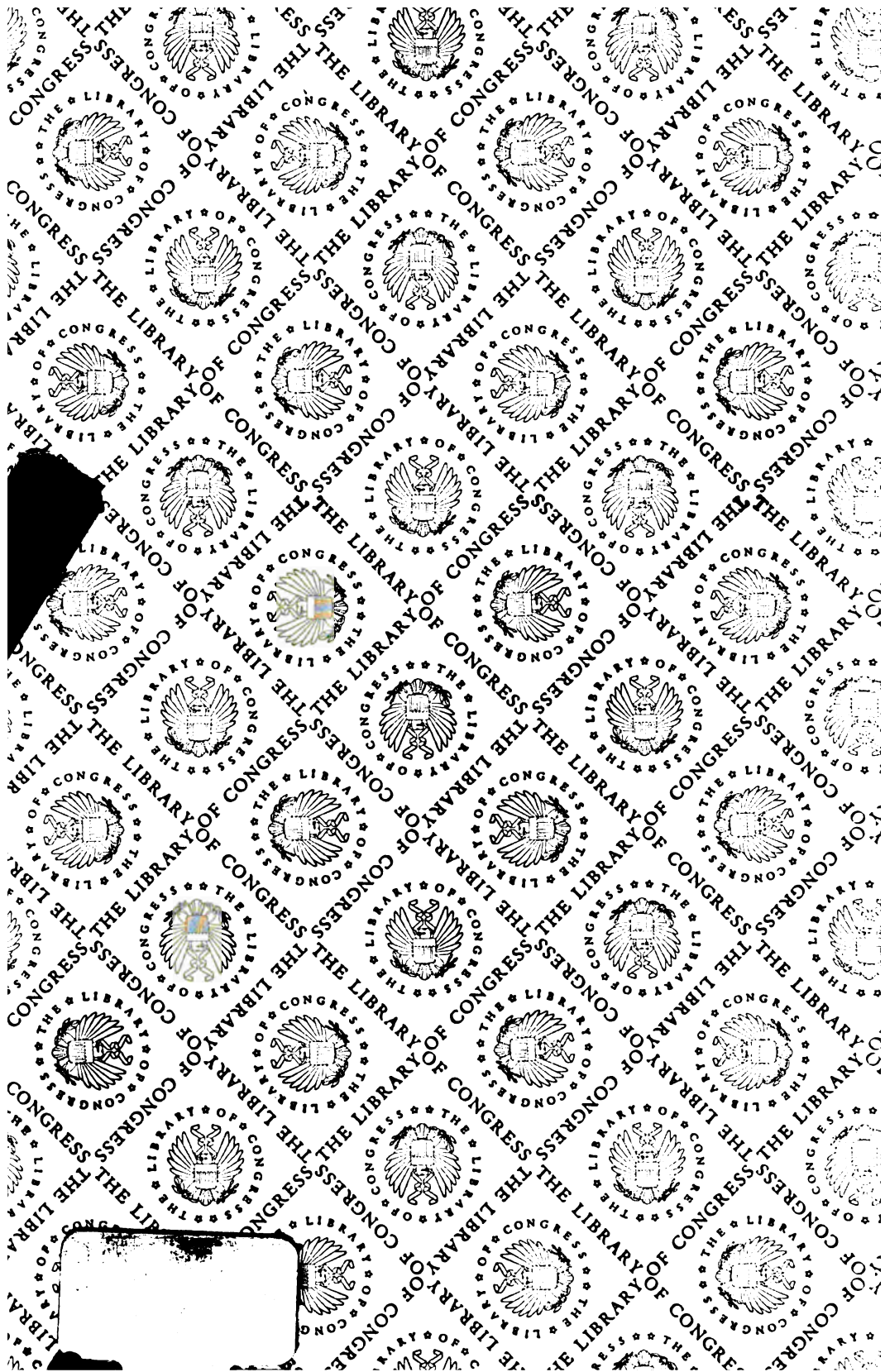
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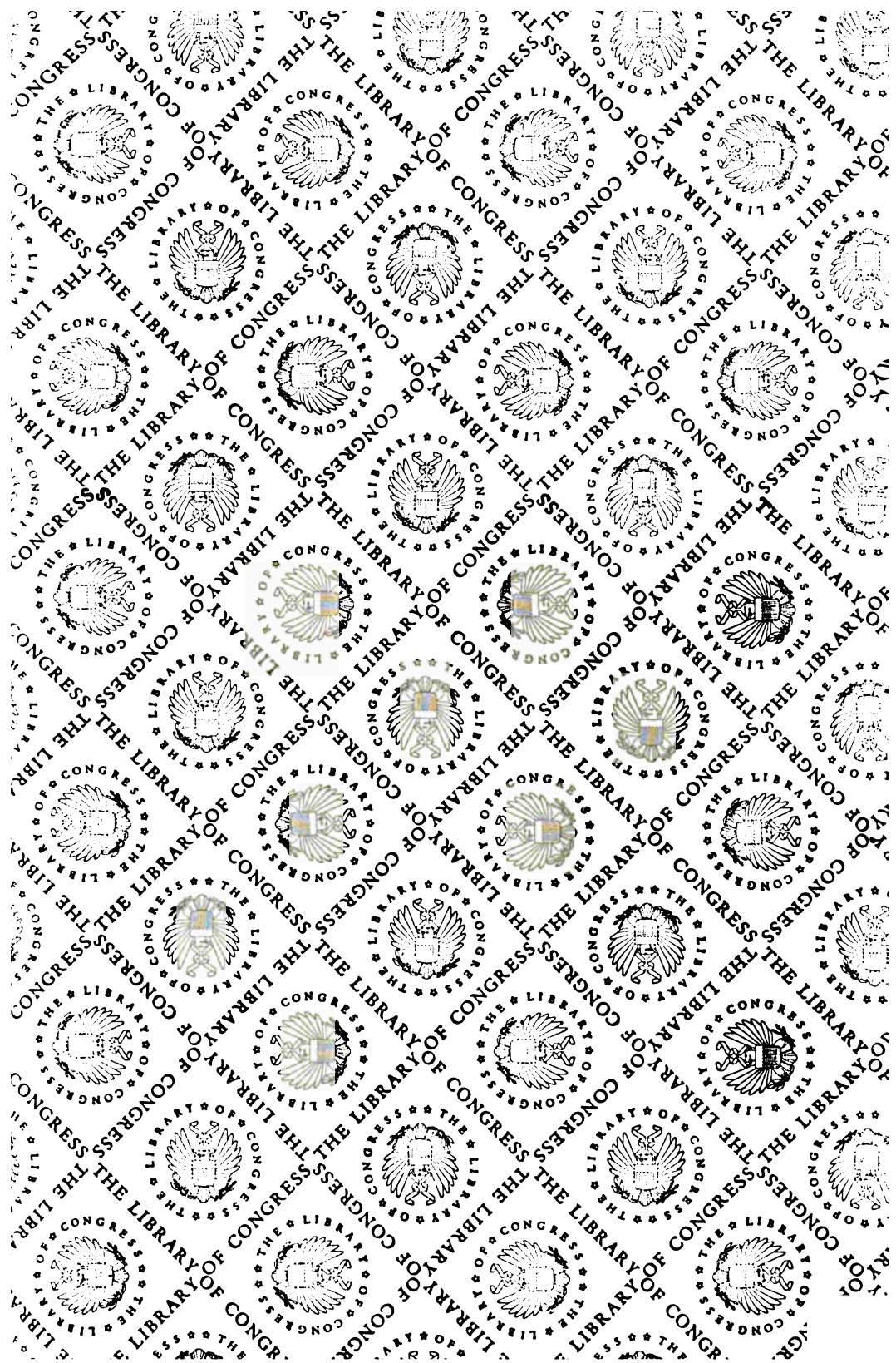
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**TO GRANT RELIEF TO THE CITY OF
HOBOKEN, NEW JERSEY**

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HEARINGS

BEFORE THE

COMMITTEE ON THE JUDICIARY

HOUSE OF REPRESENTATIVES

SIXTY-SIXTH CONGRESS

THIRD SESSION

Serial 27

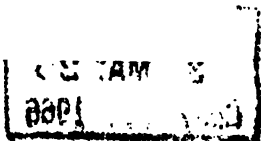
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HOUSE OF REPRESENTATIVES.

SIXTY-SIXTH CONGRESS.

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TO GRANT RELIEF TO THE CITY OF HOBOKEN, N. J.

SERIAL 27.

COMMITTEE ON THE JUDICIARY,
HOUSE OF REPRESENTATIVES,
Saturday, February 19, 1921.

The committee this day met, Hon. Andrew J. Volstead (chairman) presiding.

The CHAIRMAN. Mr. Eagan, you may proceed.

**STATEMENT OF HON. JOHN J. EAGAN, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF NEW JERSEY.**

Mr. EAGAN. Mr. Chairman and gentlemen of the committee, I realize that inasmuch as the House meets at 11 o'clock this morning, your time is limited, and I shall be as brief as possible.

The purpose of this hearing is to consider certain bills which I have introduced and which have for their purpose the granting of relief to the city of Hoboken, N. J., from the grievous financial burden which has been placed upon it by reason of the taking over by the United States of the title to the piers of the German steamship lines and the consequent enormous loss in tax revenues on these pier properties from which Hoboken is now suffering.

You will recall that immediately after we entered the war against Germany the military forces of the United States seized the pier properties at Hoboken of the North German Lloyd and Hamburg-American companies. These pier properties were owned by two New Jersey corporations, one known as the North German Lloyd Dock Co. and the other as the Hamburg-American Line Terminal & Navigation Co. The stock of these two corporations was owned by Germans, by enemy aliens. Subsequently, by the act approved March 28, 1918, making appropriations to supply urgent deficiencies in appropriations for the fiscal year ending June 30, 1918, and prior fiscal years, on account of war expenses and for other purposes, the President was authorized to acquire the title to the docks, piers, warehouses, terminal equipment, and facilities of these corporations. If the property could not be procured by purchase, the President was authorized and empowered to take over for the United States the immediate possession and title thereof, making just compensation therefor.

The act further provided that upon the taking over of the property by the President title was to vest in the United States. On June 28, 1918, by proclamation of the President, these pier properties were taken over by the United States.

The taxes for 1918 on the Hamburg-American piers were paid out of funds in the hands of the Alien Property Custodian to the credit of that corporation, and we have been assured that the taxes on the North German Lloyd piers for 1918 will be paid by the Alien Property Custodian to-day. Because of the taking over of title to the piers by the United States the taxes for 1919, 1920, and future years can not be collected by the city of Hoboken unless legislation is enacted providing for their payment or for the payment of a sum in lieu of taxes to the city of Hoboken equal to the annual tax levied against these properties.

I need hardly point out to you in what a desperate financial condition Hoboken finds itself as a result of a necessary act of war. Hoboken is my native city; I have lived in it or within a mile of it all my life. It is a very important part of the district which I have the honor to represent in Congress. I know the financial condition of the city, and I want to emphasize as strongly as I can that if relief is not granted and granted in the near future, Hoboken will go very near the point of bankruptcy. It simply can not stand this frightful loss in revenue, and I respectfully insist that a way must be found to grant it relief. Hoboken's tax rate for 1916 and prior years averaged about \$22 a thousand; for 1921 it will be \$42.40 a thousand. Much of this great increase is due to the loss of the pier taxes.

The city is less than a mile square and has a population of nearly 70,000. It is almost solidly built up and has but little opportunity to increase its revenues from taxation. At the time these pier properties were taken over by the United States they represented a very substantial part of the total tax ratables of the city. They have greatly increased in value since that time and will continue to increase in value. The greater the increase in their value the greater will be the loss which Hoboken will sustain. They are the most valuable pier properties in New York Harbor if not in the world.

Several of the piers have already been leased by the War Department to steamship companies, and the Government is now receiving about \$600,000 a year in rentals on these leases. Three piers and part of a fourth pier have been so leased. There are eight piers in all, I believe, and when all the piers are leased it will readily be seen that the Government will receive a revenue greatly in excess of a million dollars a year from these piers.

In view of the fact that these piers will be used exclusively or almost exclusively for commercial purposes and that the Government will derive an enormous revenue therefrom, I feel it is but simple justice that the Congress should make immediate provision to save the little city of Hoboken from the great loss in revenue which it has sustained and will continue to sustain until adequate relief is granted.

I realize the very natural hesitancy with which you approach the matter of providing by law for the payment of taxes on property owned by the United States, but I respectfully submit that the condition created by this necessary act of war, so far as Hoboken is concerned, is without a parallel in all our history, and one so unique and Hoboken's equities so great that it warrants granting the relief we are asking.

The amendment providing for the taking over of these properties and the title thereto by the United States was put on in the Senate with practically no debate, after the urgent deficiency bill I have referred to had passed the House. Together with Representative Swagar Sherley, of Kentucky, and Representative Joseph G. Cannon, of Illinois, I was a conferee on the part of the House. Senators Martin, Underwood, and Warren were the Senate conferees. I pointed out to the conferees the great injury which would be done to Hoboken unless provision was made for continuing the payment to the city of the taxes on the piers. Unfortunately, under the rules governing conferees, they were powerless to deal with the matter in conference. In this connection I desire to insert some extracts from the debate on the conference report on the urgent deficiency appropriation bill for the fiscal year ending June 30, 1918. (See Cong. Rec., of Mar. 26, 1918, p. 4399 and succeeding pages.)

Mr. SHERLEY. Now, I ought to say, before turning from these important amendments, that in regard to the first amendment there was presented a very interesting situation, one of great hardship to the city of Hoboken. These terminal properties paid annual taxes to the city of Hoboken of about \$140,000. By virtue of their coming into the ownership of the United States they will not be subject to that tax, and the loss at this time of \$140,000 of annual revenue to the city of Hoboken is a very severe loss. It was urged, and strongly urged, by my colleague [Mr. Egan], the gentleman from New Jersey, who represents that city, that provision should be made to enable the city to continue to collect taxes from such property; that these properties differed from usual Government property in that they were properties that could and would be used in a commercial way, and that the municipality ought not to be penalized by virtue of the Government taking them over. I do not think there was a man on the conference but was impressed with the equity that underlaid the argument that was so ably presented by the gentleman, but to have acquiesced in it meant to establish a precedent so far-reaching that we felt that we were not warranted in acquiescing, even if the rules controlling conferees had permitted us, which they did not. If this Government shall ever take over all of the railroads of America, it would be presented with the problem in a very acute form as to what provision should be made permitting States and political subdivisions of a State to obtain revenues heretofore obtained from taxation of such property. Manifestly we did not feel that we had the

right to undertake to solve that in a conference without any previous expression of a judgment by Congress on the subject.

I mention this because it is only fair to the gentleman from New Jersey [Mr. Eagan], who, in signing this report, has given an exhibition of a Member's ability to look beyond his district and look to the Nation's need rather than simply hold the local viewpoint. [Applause.] The need of the Government in taking this property was great, and he was big enough not to be willing to let a local situation, acute as it was, interfere with him in aiding in the doing of this important national work.

Mr. EAGAN. Mr. Speaker, the urgent deficiency bill, as it passed the House, as explained by the gentleman from Kentucky [Mr. SHERLEY], was amended in one very important respect. The first amendment authorized the President to acquire the title to the docks, piers, warehouses, wharves, and terminal equipment and facilities now owned by the North German Lloyd Dock Co. and the Hamburg-American Line Terminal & Navigation Co., in Hoboken, if he shall deem it necessary for the national security and defense, provided that if such property can not be procured by purchase the President is authorized to take over for the United States the immediate possession and title thereof. Upon the taking over of the property by the President, the title to the property shall immediately vest in the United States.

I feel that I should call the attention of the House more explicitly to the effect that that will have on the city of Hoboken. The gentleman from Kentucky said it would mean a loss of \$140,000 in taxes. It will be nearer to \$150,000, and coming at this time it will work very great hardship on the city, due to the fact that by the operation of the half-mile prohibitory zone the city of Hoboken will lose next year in excise taxes about \$125,000 additional. Four-fifths of the saloons of the city are within the prohibited area and a good many of them have already been closed, and the city expects to lose practically all of that revenue next year.

In addition to that, Hoboken will lose a very substantial amount—the exact amount can not be figured now—in the taxable value of the properties in which those saloons are located, so that all in all Hoboken will be placed in a most embarrassing position.

I did my utmost in the conference committee to provide some remedy for Hoboken, but without success. I do not know whether any remedy can yet be found, but I submit that it will be a very great injustice to Hoboken if some way can not be found whereby the city may continue to receive the taxes on these docks. Were it not for the fact that many of the items carried in this urgent deficiency bill bear directly on the prosecution of the war, I should have refused to agree to the conference report.

This amendment was put on as a rider to the urgent deficiency bill in the Senate. No opportunity was afforded to the officials or citizens of Hoboken to be heard, and under the rules that govern conference committees no legislation could be effected in the conference.

The amount of money represented in the taxes paid by these steamship companies is about one-eighth of the total taxable revenues of the city from real estate taxes.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. EAGAN. Yes.

Mr. COOPER of Wisconsin. What is the property said to be worth?

Mr. EAGAN. The German steamship piers, buildings, and lands were assessed for taxation purposes in 1917 to the extent of about \$6,283,000, if I remember correctly. Our total ratables are about \$79,000,000. This property along the river front comprises about one-third of our entire water-front, and is probably the most valuable property in the city.

Hoboken is a thoroughly loyal city. It has done its duty in the Liberty bond drives and in every war appeal that has been made to the American people, including the call to the colors. It feels particularly honored by being made the port of embarkation of our fighting forces in the great war in which we are now engaged. It is the last bit of American soil which the boys in khaki tread upon before embarking for France. It welcomed the taking over of these docks by Uncle Sam.

I submit that if this is to be not only a war measure but must be extended over into peace times as well, and the property owned for all time by the United States, some remedial legislation, some way must be found to provide the money that we are going to lose in taxes. Hoboken can not stand this loss.

It will be a blow from which it may not be able to recover. Hoboken can not materially reduce its expenses. It is the most thickly settled city in America, probably in the world, and this imposes of itself a serious tax burden, especially for school purposes.

Hoboken has no means of substantially increasing its taxes, and its tax rate will be increased upward of 50 points by the loss of this revenue and by the loss in excise revenue that I referred to a moment ago.

Mr. NORTON. Mr. Speaker, will the gentleman yield?

Mr. EAGAN. Yes.

Mr. NORTON. Has Hoboken any municipal docks?

Mr. EAGAN. No. Unfortunately we have not a foot of water-front property that belongs to the municipality.

Mr. NORTON. Could the city take over these docks and operate them?

Mr. EAGAN. The city would be very glad of the opportunity to take over the docks and lease them to the Federal Government at an agreed price that would represent the interest on the bonds and the amount that the city now receives in taxes. There is no objection whatever to the Federal Government taking over the property, but the city is not in a position to stand this drain. I submit it should not be put to such a great hardship and injury as this will entail.

Mr. NORTON. It occurred to me that the municipality might be able to operate the docks more efficiently than the Government at this time.

Mr. EAGAN. The municipality would be glad to do that, but it yields, of course, to the Federal Government.

Mr. DEWALT. Mr. Speaker, will the gentleman yield?

Mr. EAGAN. Yes.

Mr. DEWALT. I suppose it is true that this property is always increasing in value. Would it not therefore be an increasing loss each year, because the rate would be the same and the property value greater?

Mr. EAGAN. That is so. During the last 10 years the assessed value of the property has increased about 100 per cent. Perhaps the property was undervalued for taxation purposes in the past, but the increase in the assessed valuation is due, in the main, I think, to the great increase in the value of this property. It is invaluable.

Now, Mr. Speaker, I ask leave to extend my remarks by the insertion of a telegram from Hon. P. R. Griffin, mayor of Hoboken, an editorial from the Hudson Observer, of Hoboken, and an editorial from the Hudson Dispatch, of Union Hill, N. J.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

The matter referred to is as follows:

HOBOKEN, N. J., March 16, 1918.

Hon. JOHN J. EAGAN,

Member of House of Representatives, Washington, D. C.:

The city of Hoboken is very much opposed to the Government taking title to the German steamship piers, unless adequate provision is made for the protection of the city on the taxes. If the Government takes title, and thereby the taxes of the piers are lost, it will practically mean bankruptcy to the city. I would request that you arrange for a hearing and give Hoboken an opportunity to be heard. Wire me particulars, if you please.

P. R. GRIFFIN,
Mayor of Hoboken.

[From Hudson Observer, of Hoboken, N. J., Mar. 22, 1918.]

A MOST SERIOUS PROBLEM NOW CONFRONTS THE TAXPAYERS OF HOBOKEN—TIME TO ACT.

What will the Government do to recompense Hoboken for the loss of taxes involved in the taking over of the piers and their permanent retention? The loss of \$150,000 a year in taxes on top of the shrinkage from liquor licenses certain to follow the continuation of the barred zone is a blow from which the whole city will stagger unless speedy methods of relief are found. Wiping out at one swoop 20 per cent of its ratables is just about the most serious blow any community can sustain.

In Hoboken's case the destruction is worse than that caused by a great fire, for in such a case the ground value remains and buildings may be replaced. But local taxation of Government-owned property is impossible, either directly or indirectly, and hence, so far as Hoboken's finances are concerned, the docks and piers are irretrievably wiped out.

The situation is unprecedented. No other city in the country ever has or probably ever will be called on to face its like. But it is distinctly a war emergency. The burden is cast upon Hoboken for the benefit of the entire country. Therefore, at least until Hoboken can be afforded ample opportunity to readjust itself to the changed conditions the problem is in effect a national problem and should be dealt with as such by the National Government which has created it. We do not know what form of assistance can be extended under the circumstances, but it must be given, and given quickly, in one way or another. The situation deserves and will doubtless have the prompt attention of the President. The entire New Jersey delegation in Congress should be prepared to act if remedial legislation is deemed advisable. It stands to reason that the United States Government will see that the situation is cleared up satisfactorily to the city. Mayor Griffin and the city commissioners should not delay action in the matter.

[From the Hudson Dispatch, of Union Hill, N. J., Mar. 23, 1918.]

THE TAXES ON HOBOKEN PIERS.

It would be outrageously unfair for the Government to take title to the valuable German piers in Hoboken without making provision for the payment of taxes in full upon the property. Hoboken can not afford to lose \$150,000 taxes, and the Government has no right to expect the taxpayers of the city to make up such a deficit.

The exemption of the piers from taxation would be vastly different from the exemption of post offices. Every city and every municipality has a post office, which is exempt from taxation, so that it is about "even up" on that score.

But when it comes to steamship piers Hoboken would be carrying a burden which no other municipality in the land would carry for the Government. A city like Hoboken has to depend upon its valuable water-front property for a big share of its taxes, and any plan for the Government ownership of the piers should be predicated upon the payment of taxes upon them.

I have repeatedly called the attention of the House to the necessity of granting relief to Hoboken in this matter, and have endeavored to secure the payment of the back taxes and current taxes by offering amendments to deficiency appropriation bills, but these amendments were ruled out on points of order.

I have been in constant touch with the War Department, as have Mayor Griffin, of Hoboken, and Mr. Fallon, the corporation attorney. For a long time we felt assured that an arrangement would be perfected with the War Department whereby the piers would be leased to the city of Hoboken, and that through subletting the piers to private steamship companies the city could make provision for the collection of the taxes. Under the merchant marine act, passed in the closing days of the last session, the jurisdiction of the piers has been transferred to the Shipping Board, so that our hope of relief through the War Department has been destroyed.

Senator Edge, of New Jersey, offered an amendment to the merchant marine bill in the Senate on May 17, 1920, which provided for the payment to Hoboken, out of the revenues of the Shipping Board, of a sum equivalent to the amount which, in the opinion of the board, would have been payable annually to Hoboken on account of taxes on the pier properties had they remained under private ownership. This amendment was agreed to in the Senate, but it went out in conference.

On June 4 I introduced three bills, H. R. 14418, 14419, and 14420, providing for the payment of taxes on certain property acquired by the United States during the war with Germany. These bills were referred to your committee, as was H. R. 16125, introduced by me yesterday. Similar bills have been introduced in the Senate by Senator Frelinghuysen. It is believed that H. R. 16125 will answer our purposes better than either of the other three bills.

Mr. DYER. This committee has no authority to appropriate money.

Mr. EAGAN. While I realize that, I felt that we ought to make a definite provision in the bill H. R. 16125 for an appropriation. My other bills have not provided for an appropriation but rather for an authorization.

Mr. IGOE. Where are the other bills, what are they?

Mr. EAGAN. They are substantially in the form of H. R. 16125, except that H. R. 16125, introduced by me yesterday, makes a direct appropriation.

Mr. DYER. Where was that bill referred?

Mr. EAGAN. To this committee.

Mr. DYER. We can not consider that bill.

The CHAIRMAN. I presume we have jurisdiction and might amend the bill by not making an appropriation, simply authorizing an appropriation to be made.

Mr. IGOE. These properties were taken over—seized by the Government—independent of the alien property custodian act—the trading with the enemy act?

Mr. EAGAN. Yes, sir; they were taken over under an amendment to the urgent deficiency act of March 28, 1918.

Mr. IGOE. How does the Government hold these properties now?

Mr. EAGAN. The title is in the United States, and the jurisdiction of the piers under the Jones merchant marine act has been turned over to the Shipping Board.

Mr. FITZGERALD. By exercise of the right of eminent domain Congress authorized the President to take them over by proclamation.

Mr. IGOE. Without paying compensation to anyone?

Mr. FITZGERALD. Yes, sir. Congress authorized the President to fix just compensation and by a proclamation issued on the 3d of December, 1918, the President fixed the compensation. That has been turned over to the Alien Property Custodian as the trustee of the alien interests.

Mr. IGOE. And as to the future, the Government is the sole owner of these properties?

Mr. FITZGERALD. The title is vested in the United States.

Mr. IGOE. And this bill not only provides for taxes during the period up to this time, but for all future years?

Mr. FITZGERALD. Yes, sir.

Mr. EAGAN. Yes, sir. The Government is deriving a revenue of nearly \$600,000 as rental for three piers and part of a fourth pier. There are eight piers in all.

Mr. IGOE. Do you know of any other property where the Government is the absolute owner that it pays taxes on?

Mr. EAGAN. I know of no instance where the Government is paying any such taxes.

Mr. IGOE. I want to get the idea. The city ought, of course, to get its compensation for the taxes, but I was just wondering as to the future.

Mr. EAGAN. Mr. Chairman, Hon. Patrick R. Griffin, mayor of Hoboken; Mr. John J. Fallon, the city attorney of Hoboken; Mr. William A. Kavanagh, the assistant city attorney; and former Congressman John J. Fitzgerald are here representing Hoboken. Mr. Fallon is prepared to give a detailed explanation of the situation that confronts the city.

The CHAIRMAN. As the House meets at 11 o'clock and we want to give you a chance to explain the matter fully, I would suggest that not too many questions be asked, because, perhaps, it will be difficult for you gentlemen to finish.

Mr. EAGAN. Having that in mind, I will introduce Mr. Fallon now.

**STATEMENT OF MR. JOHN J. FALLON, CORPORATION ATTORNEY,
HOBOKEN, N. J.**

Mr. FALLON. Mr. Chairman and gentlemen of the committee, as stated by Mr. Eagan, this is a very important matter, not only to this committee, for its consideration, but also for the city of Hoboken, which is the actual party in interest.

The city of Hoboken is approximately 1 mile square in area and has a population of 67,311 people, according to the last census. The piers in question front on the Hudson River and are the most valuable properties along the New York Harbor. I think there is no question about that, that everybody will concede it. It has been stated by some of the military authorities that these piers are the most valuable in the world—not only in America, but in the world.

The Government took these properties over by proclamation of the President, authorized by Congress, in the way of eminent domain, and paid for them the sum of \$7,146,583, of which \$4,831,705 went to the North German Lloyd and the balance to the Hamburg-American Line. The Hamburg-American Line held its property by a New Jersey corporation and the North German Lloyd had also formed a New Jersey corporation and held the property in that way, but the stock of both companies was held by enemy aliens, and therefore the stock in those companies was acquired and taken over by the United States through the Alien Property Custodian. The title to these properties now vests in the United States.

I respectfully submit to you, gentlemen, that there is no city in these United States that is so affected as the city of Hoboken is now by reason of the United States having acquired the title to these properties. Two years ago in talking with the President about this very matter and the dilemma in which Hoboken was, he said that he appreciated the fact that Hoboken was more peculiarly affected in this respect than any other municipality in this country.

The pier properties in question are of an approximate value—a reasonable market value—of about \$15,000,000. Before the war our average annual tax rate was about \$22 a thousand. At the present time, for 1921, the rate is \$42.40 approximately. It is upward of \$42.

Mr. IGOE. What is the assessed value of these properties?

Mr. FALLON. \$9,700,000 is the valuation which the assessors place upon the property as of October 1, 1920, the taxing period.

Mr. IGOE. What proportion is that of the full value?

Mr. FALLON. The State of New Jersey requires the assessment to be made according to full value, but we feel that this \$9,700,000 represents about 60 per cent of the full value. The entire taxable property of Hoboken is only \$88,728,884. We have exemptions of public property of pretty nearly \$12,000,000, exclusive of this property. If this property were exempted it would make about \$21,066,600 exempted. If it were not for the exemptions we would have \$110,000,000 of ratables. I think you gentlemen will appreciate the general principle of law with respect to the ownership of public property and its exemption from taxation and the differentiation as to property owned by the United States. The laws of the State of New Jersey provide that where property is owned by the State or a municipality it is exempt from taxes *so long as it is devoted to public use*, but the Federal authorities do not recognize that distinction.

The Federal cases, as I have read them, do not consider the question of *use*; they consider only the question of ownership; and when ownership is in the United States the result is the exemption of the property from taxation notwithstanding the use. In this particular instance, when this property is not devoted to public use, you can see the inequity of the exemption of it from taxation.

This property is the most valuable for steamship purposes that there is in the entire New York Harbor. This property, representing a value of \$15,000,000 to-day, is constantly increasing in value. There is not a bit of water-front property to be had around New York Harbor at the present time, much less in Hoboken. The city of Hoboken does not own one foot of water-front property. We tried to obtain about a year ago, through Federal authorities, the acquisition of this property for the city of Hoboken. We suggested that the property be sold to the city or that it be leased to the city. Gen. Hines, who was in charge or had something—

Mr. EAGAN (interposing). Gen. Hines, who had charge of the Army Transport Service. Gen. Hines was chairman of the Advisory Board on Port Terminals, appointed by the Secretary of War, to formulate a policy for the use and disposition of Government-owned port terminals.

Mr. FALLON. Yes, sir. Gen. Hines suggested to us in conference that he had the matter up, as the result of negotiations with the advisory board, and that the advisory board had practically concluded to lease this pier property to the city of Hoboken, and that the consideration for that was to be the cost of the property to the Government, plus, as he thought, approximately 4 per cent interest, and plus also the upkeep of the property.

It was also practically determined that the city of Hoboken should also acquire by purchase a railroad known as the Hoboken Shore Railroad, which is used principally in connection with these piers, the title to which is practically in the United States, because the United States owns all the stock of the Hoboken Shore Railroad. Gen. Hines said that the Government, as he understood, would not lease the railroad; they wanted to sell it outright; but they would lease the pier property. It was suggested by me, as a means of inducing the leasing of the property, that a clause could be put into the lease that if at any time in the future the property was needed for war purposes the lease should be ipso facto void. That would

have enabled the turning over of these piers by the city of Hoboken to steamship companies and from the rental thus derived enable the city of Hoboken to recompense itself for the loss caused by the exemption from taxes. I pointed out that the city of Hoboken could not have rented this property privately because of what is known as the Home Rule Act of New Jersey, which provides that in a matter of this kind property can be leased only after public advertisement and bidding. This property was assessed, notwithstanding the taking over by the United States on June 28, 1918. It was assessed for not only 1918 but for 1919 and 1920, and as a result of that the city of Hoboken was obliged to pay a State tax and also a county tax.

I might say in passing that this negotiation had been going on with the Government authorities for some time, I do not just recall how long, mainly through the War Department, and it was hoped that some relief would be afforded to pay this property tax for the two years of 1919-20. The burden imposed upon the city by the nonpayment of the taxes has resulted in the issuance of tax revenue bonds which are now outstanding. If no relief is afforded we will be obliged to include that in our annual tax budget. The tax now being \$42 per thousand, you can readily appreciate the result to the taxpayers of the city of Hoboken, the rate would go up alarmingly. For 1921 the city authorities determined not to put this property in the tax ratables, because we did not want to be obliged to pay again money to the State and county and have to make another issue of tax arrears bonds until the question was determined here.

This matter, in a legislative way, has been before the House of Representatives and the United States Senate since June, 1920. There have heretofore been three bills introduced in the House by Congressman Eagan and three bills introduced in the Senate by Senator Freylinghuysen, practically of the same purport. This bill, H. R. 16125, is the result of a hearing that we had yesterday before a subcommittee of the Committee on Commerce of the United States Senate. That subcommittee, we were informed after the hearing, would report the bill favorably to the general committee.

All after the enacting clause was taken by the subcommittee from a joint resolution that we had prepared and asked the consideration of; that joint resolution contained a lot of preambles reciting these matters to which I have just referred, and it was said that it was not the practice to report bills with a lot of preambles and that when the bill went from the committee to the Senate the preambles would be eliminated. For that reason the bill which was reported to the Senate committee reads just as it is now before you in House bill 16125.

These pier properties, gentlemen, front the Hudson River. I think I heard someone ask, "Where is Hoboken?" For those who do not know, Hoboken is situated on the Hudson River—

Mr. SUMNERS (interposing). These folks all know that. It has been suggested that we do not ask any questions. I think if we just ask one or two questions we could get at the meat of the proposition.

The CHAIRMAN. I did not intend that you gentlemen should not ask any questions, it was simply precautionary so as to first get the matter before the committee.

Mr. SUMNERS. Here is a question of great importance. I think we should give you some relief, but we should hesitate a long time before

establishing a precedent of the Federal Government paying taxes in perpetuity, and I should like to hear whether or not there is any feasible plan under which this could be worked out and turned over to the city of Hoboken. It seems to me that is what should be done, with the reversion clause to the Government in the event of war.

Mr. FALLON. If that were done it would be most satisfactory to the city.

Mr. SUMNERS. I think that this committee would hesitate a long time before considering a proposition for the Federal Government to pay taxes on its property.

Mr. FALLON. I respectfully submit that you will find no instance in this country or in any municipality similar to this situation in Hoboken.

Mr. SUMNERS. I know.

Mr. FALLON. And on the principle of taxation I think everybody who has given the matter the slightest consideration will agree that the property ought not to be exempt from taxation when it is not devoted to public use. In this particular instance my information is that the Government is deriving a revenue of \$50,000 a month from three of these piers.

Mr. SUMNERS. I understand, but the question which arises is the establishment of a precedent, and I know that I speak for myself and, I think, I can speak for the other members of the committee on that.

Mr. FALLON. The Government heretofore has recognized, I think, to some extent the inequity of the Government holding, without the payment of any remuneration, properties that are in anywise devoted to other than public purposes. I have reference to the timberlands. I have some references here that indicate that where timberlands in the forests are being occupied the Government has provided at various times that portions of the proceeds derived from the sale of timber be paid back to the municipal authorities or to the State authorities where those lands are situated, thereby recognizing, to some extent, the right of the municipalities affected to recompense from the property thus taken, where it is not devoted to public use.

Mr. IGOE. May I ask you a question right there?

Mr. FALLON. Certainly.

Mr. IGOE. Who operates these piers? Are they operated by the Government?

Mr. FALLON. It has been hard for me to ascertain; at one time the Shipping Board was operating them, at another time the War Department, and at still another the Navy Department.

Mr. IGOE. I was just wondering if the Emergency Fleet Corporation were operating them?

Mr. FALLON. You mean at the present time?

Mr. IGOE. Yes, sir.

Mr. FALLON. No; the War Department has been operating them, but the War Department has leased part of them to private interests who are now paying a rental to the Government.

Mr. IGOE. Under the authority of a specific act of Congress.

Mr. FALLON. I do not think there has been any specific authority granted therefor by an act of Congress.

Mr. IGOE. I was just wondering if the Emergency Fleet Corporation was operating them?

Mr. FALLON. No; for a while we were before the Emergency Fleet Corporation trying to get some consideration. They did not seem to know what their interests in the matter would be. They were expecting to have the piers turned over to them. Since January, under the Jones shipping act, these piers are supposed to come under the authority of the Shipping Board.

Mr. EAGAN. Under the jurisdiction of the Shipping Board. The piers have been operated by the transport service of the Army.

Mr. FALLON. Hoboken was a port of embarkation from which several million men were shipped to the other side, and also a port of debarkation when the men were coming back. Anyone who has visited these piers can appreciate the magnitude of the property that the Government acquired, and the city of Hoboken, as small as it is, has had to improve and provide fire and police protection for the property and for the multitude of people coming and going all the time.

Without offense in any way to the chairman of this committee, I may say that prior to the entry into war there was a great deal of money derived by the city of Hoboken from liquor licenses—\$200,000 a year from licenses for the sale of liquor—but even before the Volstead law, or any other prohibition law, became effective the city was deprived of this revenue by the fact that the city was used as an Army camp and for war purposes, and because of laws or rules relating to military authorities, Hoboken could not exercise the right to authorize the sale of liquor—that was for about two years—and therefore we were compelled to lose that revenue of about \$200,000 a year in that way. We had confronting us a rule, or, I think, a law, that there should not be any liquor sold within 5 miles of an Army camp.

Mr. EAGAN. And within a half mile if the camp be located in a city.

Mr. FALLON. Yes. The city of Hoboken was so situated that we were deprived of that revenue.

Mr. IGOE. Does not the Emergency Fleet Corporation now need those properties?

Mr. FALLON. I do not know. Some people have said to me that if these properties were in the name of the Emergency Fleet Corporation taxes would be paid to the city, but I am not sure such is the fact.

The CHAIRMAN. The Government owns probably 60 or 70 per cent or more of this property. Is there other property like this in the city where revenue is derived?

Mr. FALLON. By way of illustration, as to the point you are raising, I may say the Government at the present time owns all of the capital stock of the Hoboken Manufacturers Railroad, which is called the Hoboken Shore Railroad, and it is used in connection with the piers for freight and passenger traffic. Nevertheless it is a fact that the Hoboken Shore Railroad is taxed and pays taxes the same as any other property.

Mr. IGOE. As to whether or not public property which is publicly owned but not used for a public purpose should be taxed, the difficulty will be in drawing the line.

Mr. FALLON. It is a fair principle that so long as the property is devoted to public use it should be exempt from taxation; but when

there is a departure and the property is operated for revenue, why should it not be taxed?

Mr. GARD. Does the city own the water front?

Mr. FALLON. The city does not own one foot of the water front.

Mr. GARD. Does the city own any piers?

Mr. FALLON. No, sir; not one. The major portion of the waterfront property is owned by a company known as the Hoboken Land & Improvement Co. It came down, with other property, from an original grant to Lord Carteret; it was then seized—confiscated—and later taken over by John Stevens and from him transferred to said corporation, which was created in 1850 or thereabouts.

The CHAIRMAN. If that property is operated for the Government it ought to be exempt?

Mr. FALLON. Yes, sir.

The CHAIRMAN. How long has the Government operated these piers exclusively for governmental purposes?

Mr. FALLON. The Government has been operating these piers since, I may say, in 1918, when it took them over by proclamation on the 28th of June. The taxes under the laws of New Jersey are assessed on May 20 of each year. The taxes for 1918 are paid; they were charged against the funds allotted to the Hamburg-American Packet Co. and the funds allotted to the North German Lloyd Co. The original bill as presented by Congressman Eagan provided for 1918 and 1919 taxes. The taxes for 1918 are being taken care of and consequently this bill—H. R. 16125—would take care of the taxes for 1919 and 1920. For 1921 this property will not be assessed for more than the comparative value of other property along the water front.

It is a peculiar and most unusual hardship that this little city has suffered, and this situation has been brought about by a very unusual condition. If we were like the great city of New York, or if we had great big ratables, we would not need this relief; but here we are a small city, a city small in area, and with net taxable valuations of \$88,728,884—made up of real estate, \$69,145,000; personal property, \$10,890,600; second-class railroad property, \$8,693,284. The total of exempt property is \$21,066,600—made up as follows: Public schools, \$2,988,100; other school property, \$1,926,000; public property, \$13,508,300; church and charitable property, \$2,644,200.

The CHAIRMAN. Do you know how long this lease has to run?

Mr. FALLON. I do not know. I can not say that. All that I know is that I wrote to some authority over here—I think it was Gen. Hines—and I had a letter which indicated that some piers were rented. I think the Panama Steamship Co. is operating one of those piers, and some one told me that it was somewhat of a public agency which is operated in connection with the War Department, and that the Federal Government owns all of the stock of that company.

Mr. EAGAN. I think the leases run for five years.

Mr. FALLON. I was told by a shipping man, before I came down here, that when the ordinary class of ships go into those piers—they are now paying \$500 per day wharfage—and that each pier is capable of berthing on one side three ships. From that you can see the great amount of revenue that may be derived from those piers by those operating them. There will be a revenue of \$1,500 per day for each side of those piers, or \$3,000 per day for each pier. That is the revenue that could be derived, and is being derived by the Govern-

ment to-day, from those piers—that is, if the piers were berthing the number of ships that they might berth.

Mr. SUMNERS. I think we understand the equities of the situation, but have you any suggestion to make as to how justice could be done the city of Hoboken without committing the Federal Government to the proposition of paying those taxes in perpetuity? As one member of the committee, I would search for every possible avenue of relief before adopting that.

Mr. FALLON. If it could be so arranged that this property could be leased to the city of Hoboken, it would solve the difficulty. Last year when we came up here to confer with the advisory board, through Gen. Hines we were assured that that would be the result, and I went back and had the New Jersey Legislature enact two laws that would permit the city of Hoboken to effect that purpose. One of them would permit a municipality under circumstances such as these to take a lease of the property, and to sublease same, and the other bill would permit a municipality to acquire the ownership of any railroad situated as this was, but through some means or other the thing slipped. Gen. Hines, I am told, is no longer in the service, and we have not been able to get anywhere with the matter. If that could be effected there would be no necessity for this legislation, because then the city of Hoboken could take care of itself. I would like to say that there could not be any partiality shown in leasing the properties by the city of Hoboken to others. I mention that because there is a provision in the New Jersey home rule act which inhibits the municipality from granting special privileges. The city could not do that, because the property could be leased only under the laws of the State of New Jersey, which provide that they can only be leased under public bidding and that they shall go to the highest bidder. As I have said, if that plan could be effected it would solve our difficulty, but if it is not effected I can not see any way out of the difficulty except through the means here suggested.

The CHAIRMAN. It seems to me that the situation could be met somewhat in the manner in which the difficulty with reference to the forest reserves was met; that is, by providing that where the property is used for the purpose of deriving revenue the localities or municipalities concerned may share in that revenue. In other words, suppose in this case the municipality should share in the revenue to the extent necessary to make up the difference due to the loss of taxes?

Mr. FALLON. Would it not be a better plan, or would it not be a better principle, to provide that property that is not used for public purposes shall not be exempted from taxes?

Mr. SUMNERS. That would not give you relief in this case, would it, if it should be shown, as it would be shown in this case, that the Government has been using this property for public purposes during the war, and that the Panama Railroad Co. or Panama Steamship Co. has been using it practically for public purposes? It is in the nature of a public utility. Do you think that would get you out of the hole? They might decide to use those piers for all our transports coming in there, --

Mr. FALLON. I have examined some Federal cases wherein it is held that where the property is actually owned by the Federal Government, although under the management of some separate board or

body, it is nontaxable. I have talked with Mr. Fitzgerald about this matter, and he told me that he hardly thought the decisions went that far, but I have found cases that so held.

It would seem that even with a body like the Emergency Fleet Corporation operating the piers that rule would apply. If the Emergency Fleet Corporation were merely the trustee for the actual owner—the United States—then they would be nontaxable, and in this case I am afraid they would be nontaxable. That is what I am afraid of.

The CHAIRMAN. You suggested in the early part of your statement that there was some difference between the State practice or policy and the Federal practice relative to this class of property.

Mr. FALLON. Yes, sir.

The CHAIRMAN. Have you any explanation to make in reference to that?

Mr. FALLON. I know that the State of New Jersey has provisions in its tax laws which provide that property publicly owned and used for public purposes shall be exempt from taxation. Those words, "used for public purposes," are in the law as it is applied to other than property of the United States or the State. In New Jersey there are many classes of public property which in part are not used for public purposes, and that part not so used for public purposes is taxable. We have laws relating to the exemption of religious, charitable, and educational institutions so long as they are not run for a profit, but when they are diverted from that use and are used in a manner whereby revenue is derived from them, our courts have held that they are taxable.

The CHAIRMAN. I think that is a general rule. Have you any other illustration as to a State or as to State property or property owned by the State itself?

Mr. CURRIE. You can not tax the sovereign.

Mr. FALLON. The New Jersey law exempts, by statute, property of the United States and of the State of New Jersey; property of the respective counties, school districts, and taxing districts, when located therein and used for public purposes. One New Jersey court has held that it does not follow that if the State should lease a portion of the public domain the lands so leased would be exempt from taxation. (See *State v. Haight*, 36 N. J. L., 471.)

Mr. GOODYKOONTZ. If it includes municipalities, it would include the State, would it not?

Mr. FALLON. It does apply to the State as well as municipalities.

If there are no other questions, I have concluded my statement and will give way to Mr. Fitzgerald, who will also speak in behalf of the city of Hoboken.

STATEMENT OF HON. JOHN J. FITZGERALD, OF NEW YORK, N. Y.

Mr. FITZGERALD. Mr. Chairman, I appreciate the fact that the question that troubles the committee is that of recommending legislation that would in effect recognize the principle of subjecting property owned by the United States to taxation by some other sovereignty. Of course, because of the fact that the United States is a sovereign body, the rule is that whatever it possesses or owns is not subject to

be taken by way of taxation by any other sovereignty or body. The States can not impose any tax upon property that belongs to the United States. The situation here, however, is unique, and there is nothing like it in any other place in the United States. There is nothing likely to approach it at any time in any other place. I do not believe that Mr. Fallon has emphasized the fact that the city of Hoboken is facing bankruptcy. This community of 67,000 people has a tax rate of \$42 per \$1,000.

That means that the average home valued at \$5,000 will pay an annual tax of \$210. The inevitable result will be that persons owning property in Hoboken will be driven out. If the sums against which tax certificates have been issued and which must be included in their budget, unless some relief is given by the Federal Government, are included, the tax rate will ultimately be around \$60 per \$1,000. This community of 67,000 persons, covering an area of 1 square mile, is facing complete annihilation as the result of an essential war act by the Federal Government. Hoboken can not extend its boundaries. It is so located geographically that it can not enlarge its territory. The pending bill, as framed, provides for the payment by the United States of a sum that would be equivalent to what would be levied as taxes against the same property if it were held in private ownership, and it has a saving provision that the amount must be checked by the Secretary of the Treasury, so as to deter any attempt to unduly assess this property as compared with other property. While there is not anywhere an exactly analogous situation, the existing conditions justify the legislation here proposed. Legislation has been heretofore enacted to afford relief from reasons for a similar character. The act to create forest reserves was approved March 3, 1891 (26 Stat., 1103). Not much was done in the way of creating forest reserves out of the public domain until the administration of President Roosevelt. During his administration very large tracts of the public domain, and very desirable tracts for settlement, were segregated and set apart as national forests.

The result was that in many of the public-land States very large areas of the public lands that ordinarily would have been opened for settlement and taken up by settlers, thus becoming a part of the taxable property of the communities, were withdrawn from such opening and settlement and segregated into reserves to be held indefinitely by the United States. As a result of that policy the situation in those public-land States became so acute that by the act of March 4, 1907 (34 Stat., 1256), Congress provided that the moneys received from the operation of the Forest Service should be covered into the Treasury as miscellaneous receipts, and that at the end of each fiscal year 10 per cent of such receipts should be paid to the State in which the particular forest reserve from which the fund was derived was located. These moneys were to be devoted by the States to the building of public roads and the maintenance of public schools in the counties wherein the forest reserves were located. By subsequent legislation, act of May 23, 1908 (35 Stat., 251), the amount to be turned back to the States for such purposes was increased to 25 per cent. Subsequently, in 1913, it developed that it was impossible, even under such circumstances, to construct and develop a system of public roads in many of the counties because of the location of the forest reserves, and by the act of March 4,

1913 (37 Stat., 828), another 10 per cent was provided, to be utilized by the Secretary of Agriculture in building roads through the forest reserves and for cooperation with the local communities to develop continuous systems of roads through those sections of the country.

Again, in 1911, when the Weeks Appalachian Forest Reserve act was enacted by Congress (act approved Mar. 1, 1911, 36 Stat., 961), it contained a provision that 5 per cent of the receipts from the operation of the forest service should be paid back to the States for the purpose of expenditure in the various localities for public schools and public roads, and that amount was subsequently by the act of June 30, 1914 (38 Stat., 415), increased to 25 per cent; so that, in effect, the Federal Government now, because of the operation on somewhat of a commercial basis, of large parts of the public domain in a manner that results in revenue, recognizes the principle that, where those large tracts are withdrawn from the property available for taxation, it should to some extent reimburse the localities for the disadvantage from which they suffer as a result of such policy on the part of the Federal Government. The revenues derived from the Forest Service come from the sale of timber, the leasing of grazing rights, and some other activities from which revenues are derived. The policy outlined is firmly established. While the words, "subjecting public property to taxation" are not used, the effect is exactly the same as if the legislation specifically declared for the reimbursement of those communities for such sums as might have been received from the taxation of the lands withdrawn had they been thrown open to development and settlement. It can not be said consistently that nothing shall ever be done unless there is a precedent for it. It is inconceivable that the Congress should follow such a policy.

Mr. IGOE. It is upon somewhat the same theory that the Federal Government proceeds in regard to the District of Columbia—that is, upon the theory that it owns so much of the property here.

Mr. FITZGERALD. Yes; it is upon somewhat the same theory. The situation at Hoboken is peculiarly unique. The Hamburg and North German Lloyd Cos. had developed a system of piers that is probably the most efficient anywhere existent. Those piers were taken over by the Alien Property Custodian. Hoboken was designated as a port of embarkation. When that was done, no one had any conception of what the duration of the war would be. The imperative importance of those piers to the Government as a part of the war emergency resulted in legislation authorizing the taking over of the property by the exercise of the right of eminent domain. The legislation authorized the President to take the property over by proclamation and to fix just compensation therefor. With the ending of war activities, there are, as I am informed, only one or two of the piers now being used by the Government. For the necessities of the Government in normal times, one pier would be ample. Therefore, the balance of the property is operated as a commercial enterprise. In so conducting it the Government has considerable advantage over the adjacent properties by being able to carry on the business in competition with other piers at much less expense because not subject to the payment of local taxation. At the same time, the community in which the piers are located is seriously handicapped. The community

derives no revenue in the way of taxes from this revenue-producing property.

If the property had been taken over by the Emergency Fleet Corporation, and the title vested in it, there would be no question but that it would be subject to taxation. The title then would be vested in the corporation and not in the United States. One of the purposes of organizing, or authorizing the organization of the Emergency Fleet Corporation, was to permit it to conduct business, to sue and to be sued, and to do things that an ordinary governmental agency, or independent establishment, or regularly organized department, could not do. The property under such circumstances would not be subject to the limitations that would attach if the title to this property were vested in the United States. There is a similar situation in regard to the Panama Steamship Co., all of the stock of which is owned by the United States. It conducts its business as a commercial enterprise, without restriction or limitation, but the vesting of the title to these piers in the United States, of course, makes it immune from taxation. The suggestion has been made that the situation might be cured by adopting the plan originally suggested of leasing the property to the city of Hoboken at such a sum as would pay the interest on the money invested by the Government and provide for the property's upkeep. That would have been satisfactory, but the difficulty is that leases have been made of a large part of the property that is not being used by the Government. While those leases are in effect no relief could be had. The imperative importance of getting some relief immediately is the pressing problem. In a community of 65,000 or 70,000 people with a situation confronting them that makes the tax rate approximate to \$5 per \$100, it is very certain that community is in danger of bankruptcy.

There is no hope for Hoboken under existing circumstances. In effect the Federal Government is now doing for other localities what is proposed to be done in this bill—that is, it is taking revenues from the operation of certain properties and turning back a percentage of those revenues to the localities solely upon the theory that if it did not operate those public properties upon a commercial basis, they would pass into private ownership and be liable to taxation. In the case of the Forest Service, however, there is not the same persuasive argument in favor of that concession as there is for this, because the object of the establishment of forest reserves is not solely for the purpose of conducting a commercial enterprise, but of preserving watersheds, protecting future supplies of timber, and preventing the destruction of possible supplies of timber, while the operation of these piers is purely and distinctly a commercial enterprise. It may be said that the Government has not considered the question of disposing of the property.

From what I have been able to glean from talking with various officials interested, the conviction seems to be that so long as the title is vested in the Government, and so long as it has been possible to acquire it at what is considered a very favorable price, it is to the advantage of the Government to retain the title and to keep control over the piers, so that if there should ever again arise a situation where it would be necessary to utilize them, as in a war emergency, they would be at the immediate disposal of the Government. The

committee can realize what a difference it makes because of the smallness of the community. A similar situation exists in the city of New York. On the south Brooklyn water front the Government has a large pier and a great system of warehouses. That property is withdrawn from taxation, but nobody pays any attention to it. That property is operated as a commercial enterprise, but nobody bothers about it. The reason is that it is relatively very insignificant in a community of the size of the city of New York. But in Hoboken it is of such tremendous and vital importance that unless the community gets some relief it faces absolute destruction. Under those circumstances I do not believe that the danger of establishing a precedent here is of very great importance. The great question is, is it just, and if it is, it should be done.

The CHAIRMAN. What are the total taxable values of Hoboken?

Mr. FITZGERALD. \$87,000,000. This property was valued for taxation at \$9,720,000. There are almost \$12,000,000 worth of exempt property, including hospitals, schools, churches, etc.

Mr. EAGAN. Out of the \$87,000,000?

Mr. FALLON. No; out of \$110,000,000 there is now about \$12,000,000 of exempt property, exclusive of these piers. Then this \$9,700,000 additional, if taken out, brings the taxable property down to about \$89,000,000, making about 20 per cent of the total taxable values eliminated from taxation.

Mr. IGOE. How much has been estimated as the amount of the increase in the tax rate that is due solely to the withdrawal of this particular property from taxation?

Mr. FITZGERALD. I do not know.

Mr. FALLON. I can not say exactly, for the reason that the State of New Jersey, on account of new tunnels being built, imposes upon the municipality a tax therefor, and it also imposes a tax of \$1 per \$1,000 for the building of State roads. Exclusive of those two items, I can say that the increase is due primarily to depriving the city of its tax returns from this property, because you can readily see from the values assessed on a valuation of \$15,000,000 at \$42.40 per thousand that we are losing over \$600,000 a year in revenue from this particular property. I would like to get in the record a statement of the frontage on the Hudson River. It has a frontage of 1,700 feet on the Hudson River.

Mr. GOODYKOONTZ. Can you give us precisely the percentage of the tax rate for the last year in which this property was in private ownership?

Mr. FALLON. I have the tax rate from 1915. For 1915, the tax rate was \$22.41; for 1916, \$22.28; for 1917, \$23.23; for 1918, \$22.01; for 1919, \$23.11; for 1920, \$37.82; and for 1921 it will be \$42.40.

Mr. GOODYKOONTZ. I want to know the precise percentage of the entire taxes there that was paid by this property for the last year it was assessed.

Mr. FALLON. I can tell you the amount paid by these two companies in the various years, if that is what you wish.

Mr. GOODYKOONTZ. Yes.

Mr. FALLON. The amount paid for the Hamburg-American part of the property for the year 1918 was: Taxes levied against the property, \$60,199.55. Then the North German Lloyd is made up of two parcels. It was \$37,240.92 and \$51,336.13 for that year.

Mr. GOODYKOONTZ. What was the revenue from all the property?

Mr. FALLON. You mean the total revenue collected through taxes?

Mr. GOODYKOONTZ. I want the total taxes paid by these steamship companies.

Mr. FALLON. Perhaps this information will be of some value to you: The taxation in 1915-16, from the entire city, was \$1,047,836.85; county taxes, \$354,519.24; State school tax, \$183,378.54, a total of \$1,585,734.63. That is carried out on this extension as "Percentage of total levied against piers," 7.50. Then for 1916-17 the figures are: Local taxes, \$1,073,189.92; county taxes, \$360,901.56; State school tax, \$186,049.09, a total of \$1,620,140.57. The percentage of total levied against piers is 7.30.

Mr. GOODYKOONTZ. Suppose you put that statement in the record.

Mr. FALLON. Very well. For 1917-18 the figures are: Local taxes, \$1,143,773.21; county taxes, \$411,900.25; State school tax, \$206,173.21; State road tax, \$79,745.49, a total of \$1,841,592.16, and the percentage of total levied against piers is 7.92. For 1918 it was—

Mr. EAGAN. We can save time by putting that in the record.

The CHAIRMAN. Yes; I would suggest that be done.

(Said statement follows:)

TABLE No. 1.—*Revenues derived from general property tax.*

	From entire city.	From piers 1 to 6.	Percentage of total levied against piers.
1915-16.			
Local taxes.....	\$1,047,836.85		
County taxes.....	354,519.24		
State school tax.....	183,378.54		
Total.....	1,585,734.63	\$118,927.63	7.50
1916-17.			
Local taxes.....	1,073,189.92		
County taxes.....	360,901.56		
State school tax.....	186,049.09		
Total.....	1,620,140.57	118,247.73	7.30
1917-18.			
Local taxes.....	1,143,773.21		
County taxes.....	411,900.25		
State school tax.....	206,173.21		
State road tax.....	79,745.49		
Total.....	1,841,592.16	145,916.72	7.92
1918.			
Local taxes.....	1,344,018.82		
County taxes.....	241,606.46		
State school tax.....	230,436.15		
State road tax.....	86,925.92		
Total.....	1,902,987.41	148,776.59	7.82
1919.			
Local taxes.....	1,425,774.25		
County taxes.....	529,980.98		
State school tax.....	234,063.14		
State road tax.....	109,154.38		
Total.....	2,299,972.79	156,212.04	6.84

TABLE No. 1.—*Revenues derived from general property tax*—Continued.

	From entire city.	From piers 1 to 6.	Percentage of total levied against piers.
1920.			
Local taxes.....	2,411,952.94		
County taxes.....	575,100.78		
State school tax.....	228,208.68		
State road tax.....	89,781.46		
Total.....	3,302,041.86	290,847.44	8.50
1921.			
Local taxes.....	2,852,444.54		

Other taxes not yet apportioned (exempt).

TABLE No. 2.—*Net valuations taxable under general property tax.*

	From entire city.	Piers 1 to 6.	Percentage of pier valuation to total valuation.
1915-16.....	\$71,187,118	\$5,306,900	7.45
1916-17.....	73,177,296	5,306,900	7.25
1917-18.....	79,745,489	6,290,100	7.87
1918.....	86,925,982	6,759,500	7.78
1919.....	87,257,182	6,789,500	7.75
1920.....	87,549,847	7,425,900	8.48
1921.....	88,728,884	9,720,900	9.97

¹ Assessments for 1919 on which the tax rate was based aggregated \$107,538,382, including \$20,281,200 of personal property which was later stricken from the rolls as having been erroneously assessed. This personal property assessment is excluded from the total in calculating the percentage which the pier assessments bear to the total assessments.

TABLE No. 3.—*Status of uncollected taxes.*

	1918		1919		1920	
	Assessed valuation.	Taxes levied.	Assessed valuation.	Taxes levied.	Assessed valuation.	Taxes levied.
Hamburg-American Co.....	\$2,735,100.00	\$60,199.55	\$2,735,100.00	\$63,208.16	\$2,858,800.00	\$108,119.82
North-German Lloyd Co.....	1,692,000.00	37,240.92	1,692,000.00	39,102.12	1,886,200.00	71,336.08
Do.....	2,332,400.00	51,336.13	2,332,400.00	53,901.76	2,680,900.00	101,391.64
Total.....	6,759,500.00	148,776.60	6,759,500.00	156,212.04	7,425,900.00	290,847.54

¹ Of this amount no taxes have been collected and floating indebtedness bonds have been issued to take care of the deficit.

² Of this amount no taxes have been collected and tax revenue bonds have been issued and are outstanding against the same.

Mr. EAGAN. I would like to call the attention of the committee to the fact that Hoboken is supplying all of the usual municipal facilities to these piers, the same as it did during the time of private ownership—that is, police facilities, fire facilities, water facilities, school facilities, sewage facilities, and all of the other municipal facilities—and expects, of course, to continue doing that.

Mr. FALLON. I might say that during the war there were perhaps 5,000 or 6,000 civilian employees on these piers, and at the present time I understand there are about 2,000 employees there. The greater number of them, of course, live in Hoboken, and you can appreciate that Hoboken is furnishing all of the usual protection to the employees and their families and all of the school facilities to their children.

The CHAIRMAN. I do not think we could pass anything at this time, and when this record is made we will send it to you, so that you will have a chance to add to it and make such changes in it as will conform with what you think your statements ought to be.

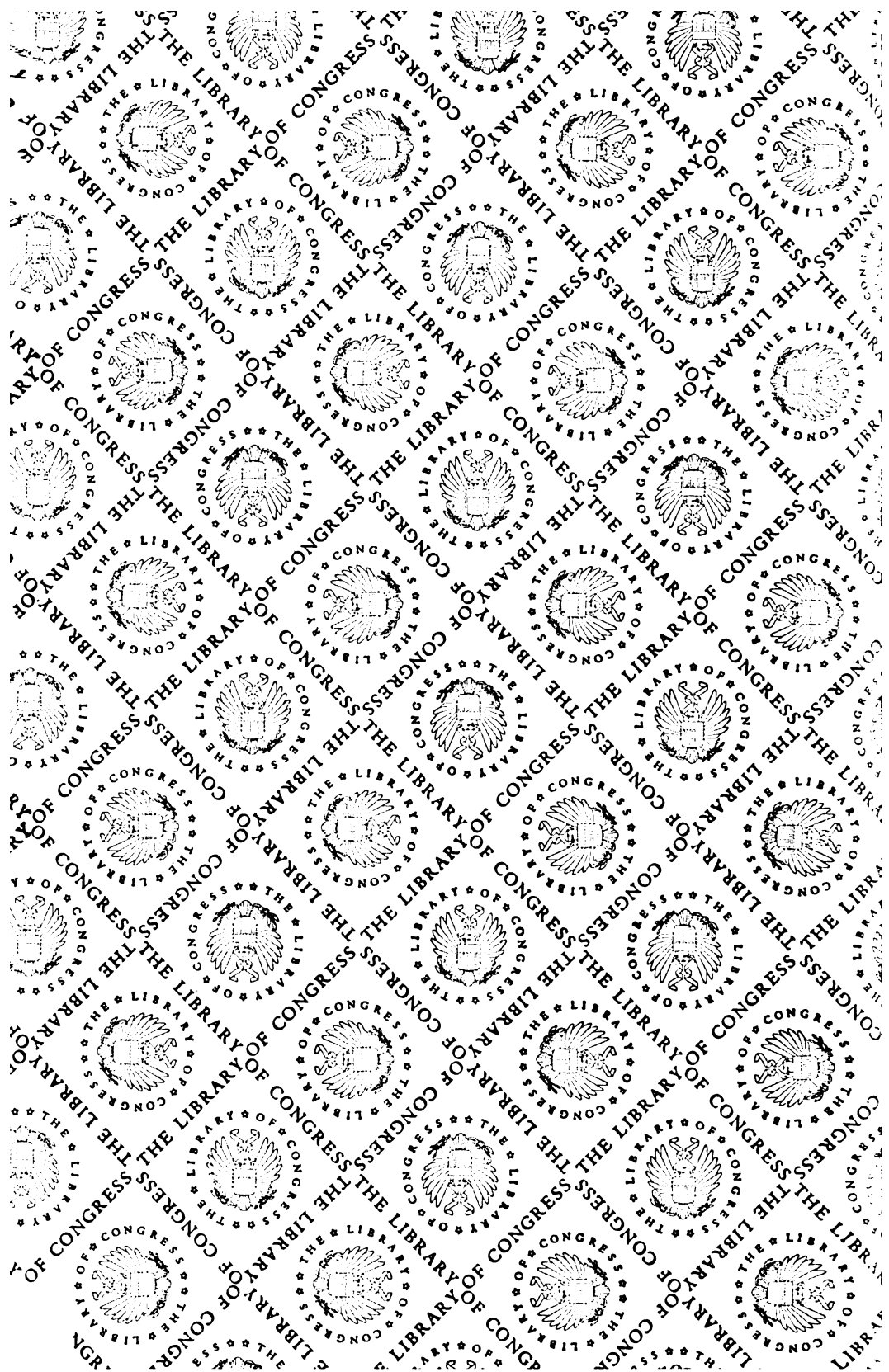
Mr. FALLON. So as to give you the fullest information possible?

The CHAIRMAN. Yes. Then the record will be available when the House meets again, which, I presume, will be within three or four weeks after adjournment.

Mr. FAGAN. I appreciate, Mr. Chairman and gentlemen, that the time between now and the adjournment of the present session of Congress on March 4 is very short, but I respectfully submit that the situation in which Hoboken finds itself as a result of the taking over of the pier properties by the United States is so desperate that it calls for a quick and effective remedy. I trust, notwithstanding the limited time, that the committee will report out H. R. 16125 favorably, or any other bill which in your judgment will do adequate justice to Hoboken. My eight years' service in the House will come to an end on March 4. I need not tell you how pleasing it would be to me if this remedial legislation would be enacted into law before that day.

I thank you, Mr. Chairman and gentlemen of the committee, for your courtesy in giving us this hearing and thank you in anticipation for the relief which I hope you will be good enough to give us.

(Thereupon the committee adjourned.)



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